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Economia Announces Second Bid Date for Sugar Imports

Report Categories:

Sugar

Agriculture in the Economy

Policy and Program Announcements

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Report Highlights:

On August 27, 2009, the Secretariat of Economy (SE) announced that the second public bid auction for 150,000 MT of refined sugar will take place September 18, 2009. The announcement states that 135,000 MT can be imported from any country under a preferential duty (15,000 MT has been set aside for Nicaragua). The first bid will take place September 2, 2009, for 100,000 MT. Both allocations are part of the maximum total amount of 393,000 MT to be imported during the August-December 2009 timeframe (see MX9049).

General Information:

The following report summarizes an announcement from the Secretariat of Economy on August 27, 2009, that authorizes the second public bid auction for sugar to take place on September 18, 2009.

Disclaimer: This summary is based on a cursory review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the

complete regulation or announcement as published in Spanish, the latter shall prevail.

The Secretariat of Economy (SE) Announces the Second Public Bid to Allocate 150,000 MT of Sugar.

Important Dates:

1. Publication Date: August 27, 2009
2. Enforcement Date: August 27, 2009
3. Public bid Date: September 18, 2009

FAS/Mexico's Executive Summary: As established in the August 6, 2009, announcement from the SE, the sugar quota must be allocated periodically — within the August-December timeframe — based upon the assessment of a domestic sugar deficit. Thus, on August 27, 2009, the SE published the process for carrying out the second public bid to allocate the following quantity:

H.T.S.	Description	Units	Quantity to allocate	Maximum amount per participant	Date & hour of public bid
1701.99.01 1701.99.02 1701.99.99	Refined Sugar	MT	135,000	20,000	Sept. 18, 2009

H.T.S.	Description	Units	Country of origin	Quantity to allocate	Maximum amount per participant	Date & hour of public bid
1701.99.01 1701.99.02 1701.99.99	Refined Sugar	MT	Nicaragua	15,000	20,000	Sept. 18, 2009

- The total amount allocated to a single participant in both public bids cannot exceed 20,000 MT.

Previously, Mexico was authorized to import a maximum of 393,000 MT of sugar (353,000 MT from all countries and subject to a specific tariff except the United States) plus 39,300 MT from Nicaragua through the end of 2009 (see MX9049).

This is a public bid available for all interested parties that are established in Mexico.

FAS Comments: Due to lower domestic sugar production, and expected low inventories at the end of the marketing year, the GOM will allow the second bid for 150,000 MT of sugar to take place (15,000 MT has been set aside for Nicaragua). According to government officials, the sugar imports through TRQs will help decrease speculation and hoarding of sugar by private companies and wholesale markets, which have caused price increases in sugar and other foods. Companies using sugar to produce pastries, candies, cookies, soda drinks, fruit juices and yoghurt have been feeling the impact of higher sugar prices.

Background: On August 13, 2009, the SE published that the first public bid to allocate 100,000 MT (90,000 MT from all countries and 10,000 MT from Nicaragua) will take place on September 2, 2009. With the announcement of this report, which allocates an additional 150,000 MT of sugar, only 250,000 MT out of 393,000 has been allocated. Out of that amount, 14,300 MT may be imported from Nicaragua and 128,700 MT from all other countries. Please note the following chart:

Amount to be allocated (MT)	All Countries	Nicaragua	Total
Total	353.7	39.3	393.0
1 st allocation (September 2, 2009)	90.0	10.0	100.0
2 nd allocation (September 18, 2009)	135.0	15.0	150.0
Remaining amount	128.7	14.3	143.0